



CBI Policy Recommendations



Economic Development Committee Meeting
December 20, 2018



Agenda



- **Objectives for Today**

- Report out on feedback received from CBI Advisory Committee (CBIAC) related to ED Committee's Good Faith Efforts referral
- Present CBI Policy considerations and receive Committee feedback



- **CBI Policy Considerations**

- Construction Subcontracting Thresholds
- Counting MWSBE Participation
- SBE Sheltered Market Initiative





CBI Advisory Committee Feedback



September 24th ED Committee Charge to CBIAC:

Review and provide feedback on the following:

- Making additional GFE categories contingent to Contacts
- Adding a new GFE Category to acknowledge previous bidder success in meeting established subcontracting goals



CBIAC Feedback:

- Do not support at this time;
- Need additional information to determine possible inadvertent consequences and unknown measurable value of the recommendations

3



CBI Policy Considerations

Review Area	Current CBI Policy Language	Considerations	Recommendation
Subcontracting Goals	<ul style="list-style-type: none"> • Construction subcontracting goals set for contracts estimated at \$300,000+ 	<ul style="list-style-type: none"> • Lower construction subcontracting threshold • The City's 2017 Disparity Study identified subcontracting goals as one of the City's most effective tools in achieving MWBE spending • Lowering the subcontracting threshold may increase MWBE spend opportunities 	<ul style="list-style-type: none"> • Staff and CBI Advisory Committee (CBIAC) recommend lowering the construction subcontracting threshold to \$200,000

4



CBI Policy Considerations

Review Area	Current CBI Policy Language	Considerations	Recommendation
Subcontracting Goals	<ul style="list-style-type: none"> Allows bidders to receive credit toward both an established SBE subcontracting goal and MBE/WBE subcontracting goal when the MWSBE holds multiple certifications 	<ul style="list-style-type: none"> Remove language that allows Bidders to count the same MWSBE committed dollars towards more than one subcontracting goal Approval of the above consideration will increase the number of firms that participate on future contracts 	<ul style="list-style-type: none"> Staff and CBIAC concur with the proposed consideration and recommend allowing a certified firm to count their dollars towards <u>one</u> subcontracting goal

5



CBI Policy Considerations

Review Area	Current CBI Policy Language	Considerations	Recommendation
SBE Designated Contracts (<i>Sheltered Market Program</i>)	<ul style="list-style-type: none"> CBI Manager may designate certain contracts for solicitation only from SBEs 	<ul style="list-style-type: none"> Establish a definitive sheltered market program with a set dollar threshold SBE firms would be the first source for these contracts 	<ul style="list-style-type: none"> Staff and CBIAC recommend implementing CBI policy language revisions to allow the CBI Office to establish thresholds and methodology for a Small Business Sheltered Market program

6



Next Steps



- Follow-up with full City Council
- Modify and adopt policy changes

7